

Message Text

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14

ACTION EB-11

INFO OCT-01 AF-10 ARA-11 EUR-25 EA-11 NEA-10 ADP-00 SCEM-2

JUSE-00 AID-20 SS-14 L-03 H-02 CIAE-00 INR-09 NSAE-00

RSC-01 PRS-01 USIA-12 PA-03 OMB-01 NSC-10 TRSE-00

COME-00 INT-08 OEP-01 CIEP-02 STR-08 RSR-01 /177 W
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R 262203 Z MAR 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 9190

INFO AMEMBASSY BEIRUT

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

USINT ALGIERS

USMISSION OECD PARIS

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E. O. 11652: N/ A

TAGS: ENRG VE OPEC

SUBJECT: VENEZUELAN STATEMENT ON OPEC MEETING

1. VENEZUELAN MINISTER OF MINES AND HYDROCARBONS, HUGO PEREZ LA SALVIA, TOLD THE PRESS UPON HIS RETURN TO VENEZUELA MARCH 24 THAT HE HAD ENCOUNTERED A TRULY RECEPTIVE CLIMATE AT THE EXTRAORDINARY MEETING OF OPEC WHICH HAD BEEN REQUESTED BY VENEZUELA.

HE REPORTEDLY SAID THAT A REPORT SUBMITTED BY VENEZUELA HAD RECEIVED FULL SUPPORT AND IT HAD BEEN DECIDED TO INITIATE
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TECHNICAL STUDIES WITH A VIEW TOWARD ADOPTING SOME DECISIONS IN JYLY.

2. ASKED WHAT PROPOSITIONS VENEZUELA HAD PUT FORTH, MINISTER PEREZ SAID THAT FUNDAMENTAL THESIS OF VENEZUELAN REPORT WAS TO GIVE A NEW SENSE, A NEW POWER TO OIL NEGOTIATIONS IN VIEW OF WORLD ENERGY CRISIS. HE SAID THAT FORM THIS WOULD TAKE WOULD BE FOR OPEC MEMBER COUNTRIES TO NEGOTIATE DIRECTLY WITH GOVERNMENTS OF CONSUMING COUNTRIES IN ORDER TO ATTAIN FOR DEVELOPING COUNTRIES -- NOT ONLY MEMBERS OF OPEC -- FULL ACCESS TO MARKETS OF INDUSTRIALIZED COUNTRIES.

3. ON PRICES, PEREZ DESCRIBED COMMITTEE APPOINTED TO DEAL WITH THIS PROBLEM AND SAID IT WAS PLANNED TO CONVOKE THE COMPANIES FOR NEGOTIATION IN THE SECOND HALF OF APRIL. THE OBJECTIVE, HE SAID, IS TO REVISE GENEVA AGREEMENT.

4. PEREZ WAS ASKED WHAT VENEZUELA WOULD DO IF PRICES AGREED UPON BY OTHER OPEC MEMBERS WERE HIGHER THAN THOSE RECENTLY FIXED BY VENEZUELA. PEREZ SAID THAT VENEZUELA WOULD HAVE TO AWAIT THE RESULTS OF NEGOTIATIONS AND STUDY THE NEW SITUATION. HE SAID THAT ONE COULD NOT LOOK AT THE SITUATION IN SIMPLISTIC MANNER BUT MUST CONSIDER MARKETS, QUALITY OF PRODUCTS, AND MONETARY FACTOR.

5. COMMENTS: PEREZ THESIS THAT OPEC COUNTRIES SHOULD USE THEIR LEVERAGE TO SECURE CONCESSIONS FROM INDUSTRIALIZED COUNTRIES ON BEHALF OF LDC EXPORTS APPEARS TO BE A TACTIC DESIGNED TO DEAL WITH PROBLEM OF INCREASING LDC CONCERN ABOUT GROWING BURDEN OF PAYMENTS FOR LDC OIL IMPORTS. VENEZUELAN GOVERNMENT SEEMS TO HAVE BECOME FIRST AWARE OF THIS AT LATIN AMERICAN PETROLEUM CONFERENCE HERE LAST AUGUST AND UNDOUBTEDLY WOULD WISH TO DIMINISH POSSIBILITY THAT OIL IMPORTING LDCS MIGHT LINE UP WITH DEVELOPING COUNTRIES IN OPPOSING TREND OF INCREASING OIL PRICES FORCED BY OPEC. IF OPEC COULD SERVE AS CHAMPION OF BROADER LDC INTERESTS, OPEC COUNTRIES MIGHT AVOID BECOMING ALIENTATED FROM OTHER DEVELOPING COUNTRIES.
MCCLINTOCK

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*** Current Classification *** LIMITED OFFICIAL USE

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TAGS: ENRG, VE, OPEC
To: BEIRUT
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LAGOS
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